

**CLAY TOWNSHIP  
AUGLAIZE COUNTY, OHIO**

*Financial Statements*  
(Audited)

For The Years Ended  
December 31, 2001 and 2000

**MARVIN H. REGULA, CLERK**





STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1<sup>st</sup> Floor  
Columbus, Ohio 43215  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-728-7398

Board of Trustees  
Clay Township  
10328 Wrestle Creek  
Wapakoneta, OH 45895

We have reviewed the Independent Auditor's Report of Clay Township, Auglaize County, prepared by Trimble, Julian & Grube, Inc., for the audit period January 1, 2000 to December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Clay Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

May 2, 2002

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**CLAY TOWNSHIP  
AUGLAIZE COUNTY, OHIO**

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# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard  
Suite B  
Worthington, Ohio 43085

Telephone 614.846.1899  
Facsimile 614.846.2799

## Independent Auditor's Report

Board of Trustees  
Clay Township, Auglaize County  
10328 Wrestle Creek  
Wapakoneta, OH 45895

We have audited the accompanying financial statements of Clay Township, Auglaize County, as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of Clay Township's, Auglaize County, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, Clay Township, Auglaize County, prepares its financial statements on the basis of accounting prescribed or permitted by Auditor of State, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances and fund balances of Clay Township, Auglaize County, as of December 31, 2001 and 2000, and its combined cash receipts and disbursements, combined budgeted and actual receipts and budgeted and actual disbursements for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 5, 2002, on our consideration of Clay Township's, Auglaize County, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts.

This report is intended solely for the information and use of the officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.  
February 5, 2002

**CLAY TOWNSHIP  
AUGLAIZE COUNTY, OHIO**

COMBINED STATEMENT OF FUND BALANCES  
ALL FUND TYPES - CASH BASIS -  
DECEMBER 31, 2001 AND 2000

| <u>Cash and Cash Equivalents</u> | <u>2001</u>          | <u>2000</u>          |
|----------------------------------|----------------------|----------------------|
| Cash and Cash Equivalents        | \$ 87,147            | \$ 51,881            |
| Total Cash and Cash Equivalents  | <u>\$ 87,147</u>     | <u>\$ 51,881</u>     |
| <br><u>Fund Balances</u>         |                      |                      |
| <u>Governmental Fund Types:</u>  |                      |                      |
| General Fund                     | \$ 51,099            | \$ 32,104            |
| Special Revenue Funds            | <u>36,048</u>        | <u>19,777</u>        |
| Total Governmental Fund Types    | <u>87,147</u>        | <u>51,881</u>        |
| <br>Total Fund Balances          | <br><u>\$ 87,147</u> | <br><u>\$ 51,881</u> |

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**CLAY TOWNSHIP  
AUGLAIZE COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES -  
FOR THE YEAR ENDED DECEMBER 31, 2001

|  | Governmental Fund Types |                    | Total<br>(Memorandum<br>Only) |
|--|-------------------------|--------------------|-------------------------------|
|  | General                 | Special<br>Revenue |                               |
| Cash receipts:   |                         |                    |                               |
| Local taxes  | \$ 15,378               | \$ 27,753          | \$ 43,131                     |
| Intergovernmental  | 58,051                  | 69,464             | 127,515                       |
| Licenses, permits and fees   | 3,845                   | -                  | 3,845                         |
| Special assessments  | -                       | 1,816              | 1,816                         |
| Interest   | 1,747                   | 933                | 2,680                         |
| Miscellaneous  | 1,020                   | -                  | 1,020                         |
| Total cash receipts  | 80,041                  | 99,966             | 180,007                       |
| Cash disbursements:  |                         |                    |                               |
| Current:   |                         |                    |                               |
| General government   | 47,740                  | -                  | 47,740                        |
| Public safety  | -                       | 19,541             | 19,541                        |
| Public works   | -                       | 21,465             | 21,465                        |
| Health   | 12,606                  | -                  | 12,606                        |
| Capital outlay   | 700                     | 47,017             | 47,717                        |
| Total cash disbursements   | 61,046                  | 88,023             | 149,069                       |
| Total cash receipts over cash disbursements                                    | 18,995                  | 11,943             | 30,938                        |
| Other financing sources:   |                         |                    |                               |
| Other financing sources  | -                       | 4,328              | 4,328                         |
| Total other financing sources  | -                       | 4,328              | 4,328                         |
| Excess of cash receipts and other financing<br>sources over cash disbursements | 18,995                  | 16,271             | 35,266                        |
| Cash fund balances, January 1, 2001  | 32,104                  | 19,777             | 51,881                        |
| Cash fund balances, December 31, 2001  | \$ 51,099               | \$ 36,048          | \$ 87,147                     |

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.



**CLAY TOWNSHIP  
AUGLAIZE COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND ENCUMBRANCES COMPARED WITH EXPENDITURE  
AUTHORITY - BUDGET AND ACTUAL -  
FOR THE YEAR ENDED DECEMBER 31, 2001

| Fund Types                     | Receipts                           |                   |                          |                      |                                  | Disbursements                       |                     |                   |                           |                                   | Variance Favorable (Unfavorable) |                  |
|--------------------------------|------------------------------------|-------------------|--------------------------|----------------------|----------------------------------|-------------------------------------|---------------------|-------------------|---------------------------|-----------------------------------|----------------------------------|------------------|
|                                | County Certified Unencumbered Cash | Budget            | Total Estimated Revenues | Actual 2001 Receipts | Variance Favorable (Unfavorable) | Prior Year Carryover Appropriations | 2001 Appropriations | Total             | Actual 2001 Disbursements | Encumbrances Outstanding 12/31/01 |                                  | Total            |
| Governmental:                  |                                    |                   |                          |                      |                                  |                                     |                     |                   |                           |                                   |                                  |                  |
| General                        | \$ 32,104                          | \$ 42,945         | \$ 75,049                | \$ 80,041            | \$ 37,096                        | \$ -                                | \$ 75,049           | \$ 75,049         | \$ 61,046                 | \$ -                              | \$ 61,046                        | \$ 14,003        |
| Special Revenue                | 19,777                             | 102,734           | 122,511                  | 104,294              | 1,560                            | -                                   | 122,511             | 122,511           | 88,023                    | -                                 | 88,023                           | 34,488           |
| <b>Total (Memorandum Only)</b> | <b>\$ 51,881</b>                   | <b>\$ 145,679</b> | <b>\$ 197,560</b>        | <b>\$ 184,335</b>    | <b>\$ 38,656</b>                 | <b>\$ -</b>                         | <b>\$ 197,560</b>   | <b>\$ 197,560</b> | <b>\$ 149,069</b>         | <b>\$ -</b>                       | <b>\$ 149,069</b>                | <b>\$ 48,491</b> |

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**CLAY TOWNSHIP  
AUGLAIZE COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES -  
FOR THE YEAR ENDED DECEMBER 31, 2000

|   | Governmental Fund Types |                    | Total<br>(Memorandum<br>Only) |
|---|-------------------------|--------------------|-------------------------------|
|   | General                 | Special<br>Revenue |                               |
| Cash receipts:  |                         |                    |                               |
| Local taxes   | \$ 15,393               | \$ 29,634          | \$ 45,027                     |
| Intergovernmental   | 35,187                  | 66,398             | 101,585                       |
| Licenses, permits and fees  | 1,575                   | -                  | 1,575                         |
| Special assessments   | -                       | 2,181              | 2,181                         |
| Interest  | 1,707                   | 528                | 2,235                         |
| Miscellaneous   | 257                     | -                  | 257                           |
| Total cash receipts   | 54,119                  | 98,741             | 152,860                       |
| Cash disbursements:   |                         |                    |                               |
| Current:  |                         |                    |                               |
| General government  | 45,874                  | -                  | 45,874                        |
| Public safety   | -                       | 20,236             | 20,236                        |
| Public works  | -                       | 35,987             | 35,987                        |
| Health  | 5,017                   | -                  | 5,017                         |
| Capital outlay  | 46,536                  | 58,337             | 104,873                       |
| Total cash disbursements  | 97,427                  | 114,560            | 211,987                       |
| Total cash receipts under cash disbursements                                    | (43,308)                | (15,819)           | (59,127)                      |
| Other financing sources:  |                         |                    |                               |
| Sale of asset   | -                       | 6,900              | 6,900                         |
| Other financing sources   | -                       | 2,748              | 2,748                         |
| Total other financing sources   | -                       | 9,648              | 9,648                         |
| Excess of cash receipts and other financing<br>sources under cash disbursements | (43,308)                | (6,171)            | (49,479)                      |
| Cash fund balances, January 1, 2000   | 75,412                  | 25,948             | 101,360                       |
| Cash fund balances, December 31, 2000   | \$ 32,104               | \$ 19,777          | \$ 51,881                     |

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**CLAY TOWNSHIP  
AUGLAIZE COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND ENCUMBRANCES COMPARED WITH EXPENDITURE  
AUTHORITY - BUDGET AND ACTUAL -  
FOR THE YEAR ENDED DECEMBER 31, 2000**

| Fund Types        | Receipts                                    |                   |                                 |                         | Disbursements                          |   |                        |                   |                              | Variance<br>Favorable<br>(Unfavorable) |  |
|-------------------|---|-------------------|---------------------------------|-------------------------|--|---|------------------------|-------------------|------------------------------|--|--|
|                   | County<br>Certified<br>Unencumbered<br>Cash | Budget            | Total<br>Estimated<br>Resources | Actual 2000<br>Receipts | Variance<br>Favorable<br>(Unfavorable) | Prior Year<br>Carryover<br>Appropriations | 2000<br>Appropriations | Total             | Actual 2000<br>Disbursements |  | Encumbrances<br>Outstanding<br>at 12/31/00 |
| Governmental:     |   |                   |                                 |                         |  |   |                        |                   |                              |  |  |
| General           | \$ 75,412                                   | \$ 43,194         | \$ 118,606                      | \$ 54,119               | \$ 10,925                              | \$ -                                      | \$ 118,606             | \$ 118,606        | \$ 97,427                    | \$ -                                   | \$ 21,179                                  |
| Special Revenue   | 25,948                                      | 97,337            | 123,285                         | 108,389                 | 11,052                                 | -   | 123,285                | 123,285           | 114,560                      | -                                      | 8,725                                      |
| <b>Total</b>      | <b>\$ 101,360</b>                           | <b>\$ 140,531</b> | <b>\$ 241,891</b>               | <b>\$ 162,508</b>       | <b>\$ 21,977</b>                       | <b>\$ -</b>                               | <b>\$ 241,891</b>      | <b>\$ 241,891</b> | <b>\$ 211,987</b>            | <b>\$ -</b>                            | <b>\$ 29,904</b>                           |
| (Memorandum Only) |   |                   |                                 |                         |  |   |                        |                   |                              |  |  |

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**CLAY TOWNSHIP  
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 1 - DESCRIPTION OF THE ENTITY**

Clay Township, Auglaize County, (“the Township”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Township is directed by a publicity-elected three member Board of Trustees. The Township provides general governmental services, including road maintenance, emergency medical services, fire protection and cemetery maintenance.

Management believes the financial statements included in this report represent all of the funds of the Township over which the Township officials have direct operating control.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The most significant of the Township’s accounting policies are described below.

**A. BASIS OF PRESENTATION - FUND ACCOUNTING**

The accounts of the Township are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Township:

**GOVERNMENTAL FUNDS**

**General Fund**

The general fund is used to account for all activities of the Township not required to be included in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Special Revenue Funds**

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

**CLAY TOWNSHIP  
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The Township had the following significant Special Revenue Funds:

*Gasoline Tax Fund* - This fund receives gasoline tax money for constructing, maintaining and repairing Township roads.

*Road and Bridge Fund* - This fund receives property tax money for constructing, maintaining and repairing Township roads.

*Motor Vehicle Licence Tax Fund* - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Township roads.

**B. BASIS OF ACCOUNTING**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. BUDGETARY PROCESS**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated. The primary level of budgetary control is at the item level within each fund. Any budgetary modifications at this level may only be made by resolution of the Township's Trustees.

**CLAY TOWNSHIP  
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Estimated Resources:*

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Township by September 1. As part of this certification, the Township receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Township determines that receipts collected will be greater than or less than the prior estimates, and the Budget Commission finds the revised estimates to be reasonable. Prior to December 31, the Township must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

*Appropriations:*

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The Township had no supplemental appropriations during December 31, 2001 and 2000.

*Encumbrances:*

As part of the formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated. There were no outstanding encumbrances at December 31, 2001 and 2000.

**CLAY TOWNSHIP  
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**D. CASH AND CASH EQUIVALENTS**

For reporting purposes, the Township considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Township with a maturity date less than or equal to three months from the date of purchase. Interest earned on investments held by the treasurer is credited to its respective funds. Interest income earned and received by the Township totaled \$2,680 and \$2,235 for the years ended December 31, 2001 and 2000, respectively.

**E. PROPERTY, PLANT AND EQUIPMENT**

Fixed assets are not capitalized in any of the Township's funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded.

**F. INTERGOVERNMENTAL REVENUES**

Intergovernmental revenues, such as entitlements are recorded when received in accordance with the Township's cash basis method of accounting.

**G. TOTAL COLUMNS ON FINANCIAL STATEMENTS**

Total columns on the financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

**CLAY TOWNSHIP  
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 3 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

The Township maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and cash equivalents at December 31 was as follows:

|                 | <u>2001</u>     | <u>2000</u>     |
|-----------------|-----------------|-----------------|
| Demand deposits | <u>\$87,147</u> | <u>\$51,881</u> |

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

**NOTE 4 - PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the County. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State and are reflected in the accompanying financial statements as Intergovernmental Receipts. Real property taxes are payable annually or semiannually to the County. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

Public utilities are also taxed on personal and real property located within the Township.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.



**CLAY TOWNSHIP  
AUGLAIZE COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

**NOTE 5 - RETIREMENT SYSTEM**

The Township's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plans. This plan provides retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, members of PERS contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. As of December 31, 2001, the Township has paid all contributions required through December 31, 2001 and 2000.

**NOTE 6 - RISK MANAGEMENT**

**Risk Pool Membership**

The Township belongs to the Ohio Township Association Risk Management Authority (OTARMA), a risk-sharing pool available to Ohio townships. OTARMA provides property and casualty insurance for its members. OTARMA is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund OTARMA. OTARMA pays judgements, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Insurance

OTARMA retains casualty risks up to \$250,000 per claim. Claims exceeding \$250,000 are reinsured with APEEP up to \$1,750,000 per claim and \$5,000,000 in the aggregate per year. Governments can elect additional coverage, from \$2,000,000 to \$10,000,000, from the General Reinsurance Corporation.

If losses exhaust OTARMA's retained earnings, APEEP covers OTARMA losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Property Insurance

OTARMA retains property risks including automobile physical damage up to \$100,000 on any specific loss. The Travelers Indemnity Company reinsures specific losses exceeding \$100,000. The Travelers Indemnity Company also provides aggregate excess coverage for property including automobile physical damage subject to an annual stop loss. When the stop loss is reached in any year, The Travelers Indemnity Company provides coverage in excess of \$10,000.

**CLAY TOWNSHIP  
AUGLAIZE COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

**NOTE 6 - RISK MANAGEMENT - (Continued)**

The aforementioned casualty and property reinsurance agreements do not discharge OTARMA's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

OTARMA's financial statements (audited by other accountants) conform with accounting principles generally accepted in the United States of America, and reported the following assets, liabilities and retained earnings at December 31, 2000 which is the latest available data:

|                          |                     |
|--------------------------|---------------------|
| <u>Casualty Coverage</u> | <u>2000</u>         |
| Assets                   | \$22,684,383        |
| Liabilities              | <u>8,924,977</u>    |
| Retained earnings        | <u>\$13,759,406</u> |
| <br>                     |                     |
| <u>Property Coverage</u> | <u>2000</u>         |
| Assets                   | \$ 4,156,784        |
| Liabilities              | <u>497,831</u>      |
| Retained earnings        | <u>\$ 3,658,953</u> |

**NOTE 7- CONTINGENT LIABILITY**

LITIGATION

The Township is currently not involved in litigation that the Township's legal counsel anticipates a loss.

# TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

1445 Worthington Woods Boulevard  
Suite B  
Worthington, Ohio 43085

Telephone 614.846.1899  
Facsimile 614.846.2799

## **Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Board of Trustees  
Clay Township, Auglaize County  
10328 Wrestle Creek  
Wapakoneta, OH 45895

We have audited the financial statements of Clay Township, Auglaize County, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated February 5, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Clay Township's, Auglaize County, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Board of Trustees  
Clay Township, Auglaize County

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Clay Township's, Auglaize County, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the management of the Township in a separate letter dated February 5, 2002.

This report is intended for the information of the Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Trimble, Julian & Grube, Inc.  
February 5, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**CLAY TOWNSHIP**

**AUGLAIZE COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 9, 2002**